

## Internal Revenue Service

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Department of the Treasury  
Washington, DC 20224

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PLR-131130-10

Date:  
December 10, 2010

### LEGEND

Parent =

Taxpayer =

Date1 =

Date2 =

Date3 =

Date4 =

Dear :

This letter responds to a letter dated July 12, 2010, requesting the consent of the Commissioner to file a consolidated return under §1.1502-75(f)(1) of the Income Tax Regulations. Additional information was received subsequently. The material information submitted for consideration is summarized below.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

## FACTS

On Date1, a newly formed corporation, Parent, acquired all of the stock of Taxpayer, the common parent of an affiliated group of corporations within the meaning of section 1504 of the Internal Revenue Code (the "Code"). Parent's only direct subsidiary has been Taxpayer.

Beginning with the taxable year ending Date2, Parent has filed a consolidated return as the common parent of an affiliated group that included Taxpayer and Taxpayer's affiliates ("the Parent Group"). Parent is a holding company with minimal or no activities of its own; all operations are conducted by Taxpayer or Taxpayer's affiliates.

As the result of a modification of preferred stock of Taxpayer and a decline in the value of its common stock, Taxpayer and Taxpayer's affiliates deconsolidated from the Parent Group on Date3. The deconsolidation, however, went undiscovered due to inadvertence until recently. Consequently, Parent continued to file consolidated returns and included Taxpayer and Taxpayer's affiliates as members of the Parent Group (and neither Taxpayer nor Taxpayer's affiliates filed separate returns). Parent has represented that on or before Date4, Parent will file amended returns for those taxable years for which the period of limitations on assessment has not expired to remove the income, gain, deduction, loss, and credit attributable to Taxpayer and Taxpayer's affiliates.

## RULING

Based solely on the information provided and the representations made, we rule as follows. The filing of a consolidated return by Taxpayer and Taxpayer's affiliated group of corporations (the "Taxpayer Group") beginning after the Taxpayer Group ceased to be members of the Parent Group is permitted. §1.1502-75(f)(1).

## CAVEAT

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

## PROCEDURAL MATTERS

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this

requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

T. Ian Russell  
Senior Counsel, Branch 5  
Office of Associate Chief Counsel (Corporate)